



RPS Hearing: Assembly Select Committee on the Renewable Energy Economy in Rural California

Friday, March 16, 2012

3 p.m. to 5 p.m. **ASSEMBLY SELECT COMMITTEE ON THE RENEWABLE ENERGY ECONOMY IN RURAL CALIFORNIA**
V. PEREZ, Chair
LOCATION: William R. Condit Auditorium, 1285 Broadway, El Centro
SUBJECT: The Promise of Renewable Energy Development for California's Rural Economies: Opportunities and Challenges Achieving California's 33% Renewable Energy Portfolio Standard

Monday, March 19, 2012

3 p.m. **ASSEMBLY UTILITIES AND COMMERCE BRADFORD, Chair**
LOCATION: State Capitol, Room 437
OVERSIGHT HEARING
SUBJECT: Division of Ratepayer Advocates Annual Report to the Legislature

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GREENHOUSE GAS BATTLE COULD REAP BILLIONS IN AUCTIONS

As California's attempt to curb climate-changing greenhouse gases ramps up, critical pieces of the landmark law remain uncertain, including the impact of the all-important auctions of hundreds of millions of so-called "emission allowances" that will serve as the spur for utilities, refiners and others to comply.

Over the next eight years, the quarterly auctions by some estimates are projected to raise between \$8 billion and \$41 billion, with the money going to everything from helping balancing the state budget to promoting the virtues of clean energy to giving breaks to millions of residential and commercial electricity

customers. In this electronic auction, bids may be submitted weeks in advance and estimates vary dramatically as to how much will be raised.

"We estimate that in the first year we'll see somewhere on the order of \$550 million, maybe as high as \$900 million," said Air Resources Board's Dave Clegern. "Our projections are pretty conservative," he added.

The one-ton emission allowances – they are sort of like permission slips to put carbon emissions into the air -- could go for \$10 to \$13 each, Clegern said, noting that is difficult to pin down the

the allowances' value until the sales actually take place. Currently, in the futures' market an emission allowance is worth about \$20. Other estimates have put the per-allowance price tag at up to \$80 each.

The auctions are a critical part of California's "cap-and-trade" plan to cut greenhouse gases – using market-based measures as opposed to direct orders from regulators to throttle emissions.

"The auction itself is quite important," says Bernadette del Chiaro of Environment California. "It's important because if you are going to allow polluters to pollute, they should be allowed to pay for it."

For California, this is a leap into the unknown: No state has ever tried anything like this, although a regional system, targeting electricity only, exists in the northeast. So the nation is watching. So is Europe, where a similar system already exists.

To read this article in its entirety please go to:

<http://www.capitolweekly.net/article.php?xid=10dfn6okwvw1z7e>

NET ENERGY METERING

AB (Hill D) Net energy metering: eligible fuel cell customer-generators. 2165

Current Text: Introduced: 2/23/2012

Status: 2/24/2012-From printer. May be heard in committee March 25.

Location: 2/23/2012-A. PRINT

Summary: Would revise the definition of an eligible fuel-cell customer-generator to require that the customer be physically located within the service territory of the electrical corporation and receive bundled service, distribution service, or transmission service from the electrical corporation. In place of the current maximum megawatt limitations upon an electrical corporation's obligation to offer the tariff, the bill would require the electrical corporation to make the tariff available until the total cumulative rated generating capacity of the eligible fuel cell electrical generating facilities receiving service pursuant to the tariff reaches 1 percent of the aggregate customer peak demand for the electrical corporation's service territory. This bill contains other related provisions and other current laws.

AB 2234 (Hill D) Electricity net energy metering.

Current Text: Introduced: 2/24/2012

Status: 2/27/2012-Read first time.

Location: 2/24/2012-A. PRINT

Summary: Would include in the definition of an eligible customer-generator, a public agency customer, as defined, meeting the current requirements applicable to residential, small commercial, commercial, industrial, or agricultural customers, except that that generation facility have a total capacity of not more than 5 megawatts. This bill contains other related provisions and other current laws.

AB 2514 (Bradford D) Net energy metering.

Current Text: Introduced: 2/24/2012

Status: 2/27/2012-Read first time.

Location: 2/24/2012-A. PRINT

Summary: Would require the Public Utilities Commission to complete a study by June 30, 2013, to determine the extent to which each class of ratepayers receiving service under the net energy metering tariff is paying the full cost of the services provided to them by electrical corporations and the extent to which those customers pay their share of the costs of public purpose programs. The bill would require the commission to report the results of the study to the Legislature within 30 days of its completion.

SB 594 (Wolk D) Energy: net energy metering.

Current Text: Amended: 3/1/2012

Status: 3/1/2012-From committee with author's amendments. Read second time and amended. Re-referred to Com. on HEALTH.

Location: 3/1/2012-A. HEALTH

Summary: Would authorize an eligible customer-generator with multiple meters to elect to aggregate the electrical load of the meters located on the property where the generation facility is located and on all property adjacent or contiguous to the property on which the generation facility is located, if those properties are solely owned by the eligible customer-generator, as provided. This bill would prohibit an eligible customer-generator that chooses to aggregate from receiving net surplus electricity compensation and require the electric utility to retain kilowatthours, as prescribed.